

M e m o r a n d u m

To: Panel Members Date: November 20, 2003

From: Dolores Kendrick, Manager Analyst: N. Weingart

Subject: One-Step Agreement for **American Security Group, Incorporated (SET)**

CONTRACTOR:

- Training Project Profile: Job Creation: Training Of Unemployed Workers And Set Workers With Multiple Barriers To Employment
- Legislative Priorities: Displaced/Potentially Displaced Workers
- Type of Industry: Services Security
- Repeat Contractor: No
- Contractor's Full-Time Employees
 - Worldwide: 144
 - In California: 144
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

CONTRACT:

- Program Costs: \$151,792
- Substantial Contribution: \$0
- Total ETP Funding: \$151,792
- Total In-kind Contribution: \$424,008
 - Trainee Wages Paid During Training: \$0
 - Other Contributions: \$424,008
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Los Angeles

INTRODUCTION:

American Security Group (ASG) provides private security guard services. The company qualifies for ETP funding under Title 22, California Code of Regulations, Section 4414(1), to provide new hire training. American Security proposes to train and hire displaced workers in the skills necessary to work as security officers and contract sales associates. Trainees will not meet standard eligibility requirements and will, therefore, be trained under Title 22, California Code of Regulations, Section 4409(a)(4) as SET frontline workers who earn less than the state average hourly wage, but who earn at least the ETP minimum wage, and who have multiple barriers that prevent them from fully participating in the labor force.

MEETING ETP GOALS AND OBJECTIVES:

American Security Group proposes training that will further the following ETP goals and objectives:

- 1) Creating jobs;
- 2) Hiring displaced workers; and
- 3) Providing training that results in secure jobs for those that complete training, is customized to a discrete industry, and includes general skills that trainees can use in the future.

TRAINING PLAN TABLE:

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
SET New Hire – Multiple Barriers Job 1	Commercial Skills	200	40	16	\$728	*\$9.93 - \$10.00
SET New Hire – Multiple Barriers Job 2	Commercial Skills, Business Skills	6	56	24	\$1,032	\$14.42 - \$16.00
						<u>Prevalent Hourly Wage</u> \$10.00
						<u>Average Cost Per Trainee</u> \$737

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Health Benefits Used To Meet ETP Minimum Wage: *Health benefits of at least \$1.00 per hour will be applied to the base wage of Job Number 1 trainees in order to meet the ETP minimum hourly wage of \$9.93 for Los Angeles County.					Turnover Rate 4%	% Of Mgrs & Supervisors To Be Trained: 0%
Other Employee Benefits: Death benefits policy.						

COMMENTS / ISSUES:

Frontline Workers

All participants in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations (CCR), Section 4400(ee).

Production during training

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

Other Public Funds

The Contractor reports that it receives \$248 for each trainee coming from the GROW (General Relief Opportunities for Work) program. The Contractor estimates that between 70% and 100% of its ETP trainees may be GROW participants, for a total of 144 to 206 trainees x \$248 = \$35,712 to \$51,088. This funding is normally used to help defray the cost of Live Scan pre-employment testing (background check), equipment, and uniforms.

In Kind Contribution

The company representative states that ASG will provide an in-kind contribution of at least \$475,096 comprised of: trainee wages during on-the-job training (40 hours x \$9.93 per hour x 200 trainees = \$79,440); trainer wages during on-the-job training (40 hours x \$12 per hour x 200 trainees = \$96,000); uniforms (\$204.85 per person x 200 = \$40,970); officer equipment (\$564.51 per person x 200 = \$112,902); drug tests (\$35 x 206 trainees = \$7,210); Live Scan background tests (\$380 x 206 trainees = \$78,280); first aid training (\$54 x 206 trainees = \$11,124); CPR training (\$54 x 206 trainees = \$11,124); Sexual Harassment training (4 hours x 51 sessions x \$15 per trainer hour = \$3,060); trainee counselor (\$1,666/mo x 21 months x 50% = \$17,493); and trainee recruiter (\$1,666/mo x 21 months x 50% = \$17,493).

If all participants are to come from the GROW program, support funds from that program would amount to \$51,088 and the Contractor's contribution would be reduced to \$424,008.

PROPOSED ACTION:

Staff recommends that the Panel approve the One-Step Agreement, if funding is available and the project meets the Panel priorities. This recommendation is based on American Security's stated need to expand its workforce by providing jobs for individuals who are currently unemployed.

NARRATIVE:

ASG provides private security services, armed and unarmed security officers, patrol, alarm response, and executive protection services. Services are most often provided to clients in manufacturing companies, industrial and high-rise buildings, warehouse and distribution centers, markets, banks, and colleges. The company was founded in 1997, currently has four locations in Los Angeles, San Gabriel, Pasadena, and Irwindale, and employs 144 full-time staff.

The events of September 11 and the ensuing and continuing threats to national security have created an increased demand in many sectors for the provision of security. Companies are looking for accurately trained guards to protect lives and property, prevent attacks, vandalism, and property damage. This demand has resulted in a shortage of trained officers for the proposed Contractor, whose staff is expected to double within the next two years. To help meet this demand, ASG proposes to train and hire 200 unemployed individuals for full-time, permanent positions with the company. The company also proposes to train and hire six contract sales associates to market its services and obtain security contracts to expand the business.

Commercial Skills training for security officers will consist of 40 hours of class/lab and 16 hours of computer-based instruction (CBT) in basic security officer techniques (patrolling, arresting, emergency situations, crime scene containment, search and seizure, crowd and mob control, force and weaponry, disaster control, loss prevention), uniforms and equipment, report writing, public relations, and problem solving and decision-making.

Contract sales associates will also receive the complete guard training program to learn the business in depth to be able to assess client needs, do marketing, and secure contracts. Sales staff may also serve as backup when there is a shortage of security personnel and to cover for absences.

Contract sales associates will also receive an additional 16 hours of class and 8 hours of CBT in **Business Skills** courses such as successful selling techniques, project management, market business, strategic planning, business contracts and proposals, and business writing.

In addition to ETP training, the prospective Contractor will provide First Aid, CPR (Cardio Pulmonary Resuscitation), and Sexual Harassment Prevention training classes at its own expense.

NARRATIVE: (continued)

Trainees will be unemployed during training and hired on the date training is completed. Security officers will be hired if they pass the Bureau of Security & Investigative Service (BSIS) test, which is administered on-site by the Contractor at the conclusion of training. In the event a trainee does not pass the test, the Contractor will provide additional training and re-test the applicant at the earliest possible date. Following hire, each security officer will receive an additional 40 hours of on-the-job training working with an experienced staff member.

Trainee Recruitment

ASG recruits the majority of its new hire applicants from the GROW program and from the Employment Development Department (EDD), and also works with GAIN (Greater Avenues of Independence). In compliance with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the County seeks to assist recipients of Aid to Families with Dependent Children (AFDC) to make the transition from welfare to employment. The Greater Avenues for Independence (GAIN) and General Relief Opportunity for Work (GROW) Programs developed by the County Department of Public Social Services (DPSS) provide job skills workshops for GAIN/GROW participants and employment counselors to support and monitor GAIN/GROW participants progress. The County encourages utilization of GAIN/GROW participants in the delivery of contracted County services.

The GROW Program provides employment services to General Relief recipients. GROW is a collaborative community partnership among: the Weingart Center Association (WCA); Community and Senior Services (CSS); the Department of Public Social Service (DPSS); and the Los Angeles County Office of Education (LACOE).

The General Relief Opportunities for Work Program is a short-term, intensive job preparedness and employment search program. Based on Los Angeles County's Department of Public Social Services' "work-first" model, individuals filing for general relief benefits are mandated to take part in this program with the goal of obtaining permanent employment and self-sufficiency.

ETP training reimbursement for 56 hours of security officer training will be \$728. GROW provides the prospective Contractor with a \$248 per trainee allowance that the Contractor chooses to use for the pre-employment Live Scan test.

ASG also recruits prospective trainees from military organizations, community colleges and high schools, job fairs, and the Internet. Staff gives presentations to provide information about the company and the various positions it offers. ASG holds "Recruitment Days" at various locations. A job developer, case manager, or a site manager will screen new hire recruits. Prior to the start of training, an applicant must pass a Live Scan background check and security clearance.

NARRATIVE: (continued)

Multiple Barriers to Employment. Trainees will have two or more of the following barriers to full-time employment: GAIN participant; long-term AFDC (Aid to Families with Dependent Children) recipient; lack of significant work history; lack of education and training; school dropout; lack of oral and verbal communication skills; and age limitations (younger and older workers).

Training will assist in overcoming these barriers by providing the necessary education to obtain full-time, permanent employment, establish a stable work history, improve communication skills through public relations and report writing courses, and overcome especially older worker age limitations, since there is no upper age limit for either of the two occupations for which training is being given.

The proposed Contractor reports that promotional and career opportunities exist for trainees. An entry-level officer may advance to Post Commander Security Officer (\$12.00 per hour); Field Supervisor (\$15.00 per hour); Security Officer Trainer (\$15.00 to \$18.00 per hour); and Branch Manager (\$14.42 to \$23.56 per hour). Sales Associates who (in addition to their base wage, earn a 5 percent commission per contract) may also take advantage of these same opportunities.

Employer Commitment to Training for New hires.

The Contractor is experiencing a growing need for security guards and contract sales personnel. ASG has been training an average of four people per week, eight to ten per month, and expects this to continue at a steady or increased pace in the near future. The company is committed to hiring and training unemployed individual as long as the demand exists, but requires the addition of public resources to company profits to sustain its training program.

SUBCONTRACTORS: N/A

THIRD PARTY SERVICES:

The applicant states consultant services, other than those specified under Subcontractor, have not and will not be used.

American Security Group, Inc.

CURRICULUM

Security Officer

Class/Lab Hours

40

Commercial Skills - Security Officer

- Introduction to security.
- When to arrest/When to avoid arrest
- Patrolling.
- Terrorist patrol.
- Post orientation.
- Uniform and equipment.
- Emergency preparedness at work.
- Loss prevention for business.
- Fire evacuation.
- Crime scene containment.
- Report writing - Part 1
- Public relations.
- Problem solving and decision-making.
- Search and seizure.
- Crowd and mob control.
- Use of force and weaponry.
- Use of equipment.
- Crime scene interview techniques.
- Evacuation procedures.
- Disaster control.

CBT Hours

16

(4)

(5)

(3)

(4)

Commercial Skills - Security Officer

Report writing – Part 2.

When to arrest/When to avoid arrest

Fire evacuation planning.

Disaster control planning.

Page Break

American Security Group, Inc.

CURRICULUM (continued):

Contract Sales Associate

Class/Lab Hours

40

Commercial Skills -Security Officer

Same as above

CBT Hours

16

Commercial Skills - Security Officer

Same as above

Class/Lab Hours

16

Business Skills

- Customer service.
- Successful selling techniques.
- Project management.
- Market business and strategic planning.

CBT Hours

8

Business Skills

- Project Management
- Business Contracts.
- Business Proposals.
- Business Writing (memos, business letters)